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DISADVANTAGES OF NOT HAVING A CENTRAL RECORDS SYSTEMS DEPARTMENT

IMPLEMENTATION:

There would be a lack of uniformity in the implementation process. Each department would use their own methods, procedures, and schedules. This could cause problems since there would be no defined responsible department to assure the timely and consistent implementation of the Records Retention Program.

BUSINESS PURPOSE:

Records Management is an established business function requiring a high level of expertise. This function should not be relegated to a sub-function within other existing Philip Morris functions. RECORDS MANAGEMENT IS NOT AN ADMINISTRATIVE FUNCTION. Example: Purchasing is an established business function that all Philip Morris departments perform, but an established department maintains and controls this function.

INDUSTRY TRENDS:

Other large companies which have established Records Retention Programs manage their records utilizing a centralized Records Management department. Examples: Coca-Cola, Dominion Resources, Reynolds Metals, Best Products, State of Virginia, United States Government.

ORGANIZATION:

Consolidating existing Records Management groups would result in the reduction of cost centers. Purchasing, budgeting, payroll, micrographic operations, etc. could be consolidated resulting in more efficient operations and utilization of personnel and resources. This would result in a substantial cost savings to Philip Morris.

RECORDS MANAGEMENT:

Department directors and managers must dedicate staff to maintaining the Records Management function. This includes assuring that all records are maintained according to the Records Retention Schedule, that records are transferred to inactive records centers as required, and that records are destroyed in accordance with the established Records Retention Schedule (this includes the actual physical destruction of the records). In addition, all new record titles created within the department will require categoric assignments and entry into the data base. Further, newly created record titles will require legal and operational retention research which should be addressed by qualified professionals. Records Management functions should be performed by qualified employees reporting to management that is qualified to assess their performance and assure that the Records Management function is in compliance with established Company policies and procedures.

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ACCOUNTABILITY/RESPONSIBILITY:

Department Managers would be responsible for all records maintenance and any consequences which may result, to include subpoenas to attest to the fact that records were actually destroyed and their Records Retention Schedule is in compliance with established Company policy and State and Federal laws. Each manager would be responsible for assuring that all Records Management functions are fulfilled to comply with the established Records Retention Schedule and Company policy. This responsibility could be delegated, but the department manager would still be ultimately responsible.

DATA BASE:

The data base would have to be available to all PM departments. Staff in all departments would have to be trained in using the data base. The staff would have to devote time for inputting and verifying the data. This is in addition to time that they would have to spend manually recording the information (which must be done under any circumstance).

DESTRUCTION OF RECORDS:

Each department would be required to determine which records must be destroyed, when they must be destroyed, and how they must be destroyed. The department must physically remove the records from the files, arrange for transporting them to a destruction site, and assure that the records were actually physically destroyed. Each department would have to document which records were destroyed, when they were destroyed, how they were destroyed, etc., otherwise there is no proof or assurance that the records were actually destroyed. Each department would have to update the data base after each destruction of records.

TRANSFER OF RECORDS:

Each department would be required to determine which records must be transferred and when they must be transferred. The department must physically remove the records from the files and arrange for transporting them to a records center. Each department would have to document which records were transferred and assure that records are logically arranged in boxes and that all boxes and contents are sufficiently identified to assure that records can be located for future retrievals. Each department would have to update the data base after each transfer of records.

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AUDITS:

As recommended by Hunton and Williams periodic audits are required to assure the integrity of the Records Retention Program. To obtain objective and unbiased results from records systems audits, highly trained employees not assigned to individual departments should perform the audits. Without qualified audits each department will be free to maintain records in any manner in which their management specifies. This would result in negating the intent, integrity, and credibility of the Records Retention Program.

LITIGATION:

In the event of the records being subpoenaed or requested, multiple sources must be contacted to determine locations and maintenance responsibilities of the records in question. This would result in additional time and legal expenses to obtain the necessary documents.

LEGAL IMPLICATIONS:

Any and all records maintenance actions (retaining or destroying records) may be questioned in a court of law. Proof that actions occurred during the normal course of business and that there is sufficient documentation (retention schedules and destruction authorizations) to justify these actions would fall on individual department managers. This would allow prosecutors to more effectively question the records management practices of Philip Morris. Violations of the established Records Management Program could result in individual felony criminal prosecutions (prison and fines).

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